

APPENDIX C

This negotiated contract is entered into as of May 20, 1945, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and Lockheed Aircraft Corporation, hereinafter called the Contractor.

1. Loan - The Government agrees to loan and the Contractor agrees to borrow the property listed below, hereinafter called the loaned property:

- 1 C-47 airplane, Serial 42-23520
- 1 T-33A airplane, Serial 53-5809
- 1 T-33A airplane, Serial 53-5850.

2. Period - The period of loan shall commence on the date of delivery of the property to the Contractor and shall expire one year thereafter, unless extended by amendment hereof. The provisions of this contract shall apply after expiration of the term hereof until the Government has a reasonable time to arrange for the return or disposition of such property.

3. Title - Title to the loaned property shall at all times remain in the Government. The Contractor shall maintain adequate property control records of such property.

4. Use of Loaned Property - The Contractor shall use the loaned property for such purposes as may be approved from time to time by the Contracting Officer and for no other purposes.

5. Expenses - The Contractor shall be reimbursed by the Government for appropriate expenses associated with operation of the loaned property. Such expenses shall be accumulated by the Contractor for each of the airplanes loaned hereunder and assigned on a pro-rata basis to specific contracts between the Contractor and the Government on the basis of services performed for and in conjunction with such contracts, subject to approval of the Contracting Officer as to expenses involved and designation of contracts to which such charges are to be assigned.

6. Contractor Furnished Items - Subject to paragraph 5, above, the Contractor agrees that it shall furnish all equipment,

materials, fuel, lubricants, skilled pilots, engineering, labor, and other personnel necessary in connection with the use of the loaned property, except that the Government shall furnish replacement parts as stated in paragraph 7, below.

7. Replacement Parts - The Government, at the request of the Contractor, shall deliver to the Contractor at or near the place where the loaned property is then located:

- (1) Such replacement parts as may be required from time to time as determined by the Contracting Officer as necessary replacement on such aircraft because of (i) reasonable wear and tear resulting from authorized usage or (ii) loss or destruction of or damage to such aircraft for which the Contractor is not liable under the provisions of this contract; and
- (2) Such new or additional aircraft parts as may be required from time to time as determined by the Contracting Officer as necessary for installation in or on such aircraft to accomplish compliance with applicable technical orders.

8. Modifications of Loaned Property - The Contractor may make modifications of the loaned airplanes as required in the performance of services approved by the Contracting Officer, but shall not make any modifications which would render the airplanes unsafe for flight. It is contemplated that the loaned airplanes may be returned to the Government in modified condition, but the configuration in which they shall be returned to the Government shall be determined by negotiation between the parties in light of the circumstances existing at the time.

9. Maintenance of Loaned Property - Contractor shall conduct an initial inspection upon receipt of the loaned property to determine its condition, shall maintain records of such inspection and shall maintain the loaned property in good repair and condition at all times thereafter until returned to the Government. Such maintenance of each item of loaned property shall conform to good industrial practice. Contractor shall accomplish and maintain current records of all such maintenance. Contractor shall not be

required to perform overhauls of aircraft or aircraft engines. The Contractor shall conduct periodic surveys to confirm the condition, adequacy of storage facilities, and necessity for retention of all loaned property and shall promptly correct any unsatisfactory maintenance or storage conditions.

10. Return of Loaned Property to the Government - Upon expiration or termination of this contract, and except as provided in Clause 8 hereof, the loaned property shall be returned to the Government in as good condition as when delivered to the Contractor except for reasonable wear and tear or depreciation resulting from authorized use. Nothing contained in this paragraph shall be deemed to require the Contractor to assume the cost of restoring or repairing property damaged or destroyed or to assume the cost of replacing any loss as to which the Contractor is relieved from liability under the provisions of Clause 11 hereof. The place at which the loaned property shall be returned to the Government shall be as mutually determined by the parties.

11. Risk of Loss or Damage, and Liability for Loaned Property -

(a) The Contractor shall not be liable for loss or destruction of or damage to the loaned property provided such loss is:

- (1) caused by reasonable wear and tear or depreciation resulting from authorized use; or
- (2) caused by any peril while the property is in transit off the Contractor's premises; or
- (3) caused by any of the following perils while the property is on the Contractor's or a subcontractor's premises or other premises, or by removal therefrom because of any of the following perils: Fire; lightning; windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke, sprinkler leakage; earthquake

or volcanic eruption; flood, meaning thereby, rising of rivers or streams; enemy attack or any action taken by the military, naval or air forces of the United States in resisting enemy attack; or

- (4) caused by any other peril or cause unless such loss, damage or destruction occurred by reason of failure of any of Contractor's directors, officers, manufacturing managers, plant managers, production managers, works managers, division superintendents, or other equivalent representatives who have supervision or direction of (1) all or substantially all of the Contractor's business, (2) all or substantially all of the Contractor's operation at any one plant or separate location at which the supply contract is being performed, or (3) a separate and complete major industrial operation in connection with the performance of the supply contract, to exercise with respect to such loaned property the same degree of care which a reasonable prudent businessman, operating under currently comparable circumstances, would exercise with respect to his own property of the same type.

(b) The Contractor shall not be liable for loss or destruction of, or damage to the loaned aircraft occurring during the course of operation of such aircraft nor to loaned property hereunder which at the time of such loss, destruction or damage, is being used in or on an aircraft during the operation of such aircraft if the loaned property is at the time of such loss, destruction or damage, being used for purposes authorized by this Contract. The term "operation" as used herein includes both flight and ground operations, and includes the operation of the airplane, prime and auxiliary power plants, the landing gear controls, the flight controls and brakes and, while the airplane is being towed, the operation of any vehicle used in such towing.

12. Definitions - As used throughout this contract, the term Contracting Officer means the person executing this contract on behalf of the Government or any other officer or employee designated by him in writing for the purposes specified.

13. General Provisions - The following clauses, identified below, are hereby incorporated by reference with the same force and effect as though fully set forth in this contract:

ASPR 7-103.12 (Disputes);
ASPR 7-103.16 (Eight-Hour Law of 1912);
ASPR 7-103.17 (Walsh-Healey Public Contracts Act);
ASPR 7-103.18 (Non-discrimination in Employment);
ASPR 7-103.19 (Officials Not to Benefit); and
ASPR 7-103.20 (Covenant Against Contingent Fees).

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

LOCKHEED AIRCRAFT CORPORATION

THE UNITED STATES OF AMERICA

By _____

By _____

Contracting Officer

Title _____

Address _____

I, _____, certify that I am
_____ of the corporation named as
Contractor herein; that _____, who
signed this contract on behalf of the Contractor, was then
_____ of said corporation; that said contract was duly
signed for and in behalf of said corporation by authority of its governing
body, and is within the scope of its corporate powers.

By _____

Title _____

(Corporate Seal)

(v)